

## **BILL ANALYSIS**

Senate Research Center  
84R12632 YDB-F

H.B. 257  
By: Farney et al. (Huffman)  
State Affairs  
5/18/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties describe the circumstances under which certain justices or judges in Texas are prohibited from having a significant interest in a business entity that owns, manages, or operates certain community residential facilities or correctional or rehabilitation facilities. The parties note that the statutes establish what constitutes a significant interest for purposes of the prohibition and that having a direct investment of a certain specified amount constitutes such an interest, along with owning any voting stock or share in the business entity. The parties contend that it is a conflict for a justice or judge to have any direct investment at all in these facilities and assert that the threshold value for what constitutes such a direct investment should be removed. This bill seeks to impose that prohibition.

H.B. 257 amends current law relating to a judge's or justice's significant interest in a business entity that owns, manages, or operates a private correctional or rehabilitation facility.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 21.010(b), Government Code, as follows:

(b) Provides that a justice or judge is considered to have a significant interest in a business entity described by Subsection (a) (prohibiting a justice or judge, as applicable, of the supreme court, the court of criminal appeals, a court of appeals, a district court, a county court, a county court at law, or a statutory probate court from having a significant interest in a certain business entity set forth) for purposes of this section if:

(1) the justice or judge owns any voting stock or share or has a direct investment in the business entity, rather than the justice or judge owns any voting stock or share or has a direct investment in the business entity that represents the lesser of at least 10 percent or \$15,000 of the fair market value of the business entity; or

(2) Makes no change to this subdivision.

SECTION 2. Effective date: January 1, 2017.